



STATE OF WASHINGTON  
GAMBLING COMMISSION

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July 25, 2005

The Honorable Jim Honeyford  
Washington State Senate  
P O Box 40415  
Olympia, Washington 98504-0415

Dear Senator Honeyford:

This letter is in response to your July 21, 2005, correspondence regarding the Nooksack Tribe's proposed compact amendment and problem gambling funding. As your correspondence indicated, I testified last year that I would include the topic of problem gambling in future compact negotiations. We raised this issue in our negotiations with the Nooksack Tribe. I believe that I have and continue to fulfill that commitment to the extent possible in light of federal and state laws and existing compact provisions.

The terms of the proposed compact amendment are nearly identical to amendments approved by the State and the Secretary of the Interior for four other Washington Tribes since 2002. These amendments were approved prior to your request and the introduction of the 2005 problem gambling legislation. Compacts include a Most Favored Nations clause, allowing each Tribe to request more favorable gaming provisions that may be negotiated by other Tribes. The pending amendment to the Nooksack Tribe's compact would give the Nooksack the same gaming increases contained in the Muckleshoot, Puyallup, Quinault, and Tulalip Tribal-State compacts.

As a result, including a problem gambling funding requirement in this amendment would not seem to honor the intent of the Most Favored Nations clause. I am concerned that imposing a new financial obligation in this amendment would not demonstrate the State's willingness to negotiate in good faith with Indian Tribes, as required by the Indian Gaming Regulatory Act and state law. In addition, most of the Tribes that have not exercised the Most Favored Nations clause for these changes have smaller casino operations, such as the Nooksack, which would result in a disproportionate and piecemeal problem gambling requirement for Indian gambling.

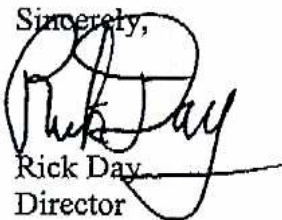
As you noted, the amendment identifies the Department of Social and Health Services (DSHS) as a potential recipient for contributions from the 0.5 percent charitable donation fund. We did this to clarify the eligibility for the problem gambling treatment program and call attention to the need. Moreover, machine gaming provides the majority of the Tribes' revenue, so as the number of machines increases, the charitable donation fund would likely cover contributions to both problem gambling and nonprofit organizations. The amount of, and justification for, the problem gambling funding request is the responsibility of DSHS.

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I would like to assure you that, as each tribe requests negotiations, we will continue to discuss how problem gambling might be appropriately incorporated into the compacts. At present, we are in negotiations with three tribes and have already raised this subject with each of them.

I hope that this information addresses your concerns. If you have additional questions, you may contact me at (360) 486-3446.

Sincerely,

A handwritten signature in black ink, appearing to read "Rick Day", is written over the printed name and title. The signature is stylized with a large, looping "R" and a long horizontal stroke extending to the right.

Rick Day  
Director

cc: Governor Christine O. Gregoire  
Gambling Commission Members